

**AN EVALUATION TO DETERMINE SOLUTIONS FOR SMALL COMPANIES IN THE SERVICE BUSINESS
AND INDUSTRIAL VENTURES TO GAIN COMPETITIVE ADVANTAGE IN CHINA.**

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ABSTRACT

This study analysed the strategies employed by Chinese small service organizations in attaining competitive advantage. Principally, it sought to document the reasons behind the successes and growth of the businesses. Data was supplied from a variety of small service providers in the most inhabited towns in China. Strategies regarding the adoption of technology, expenditures, innovation, and ties with customers were the subjects in the research. Based on the report, businesses relying on online and technology-based answers are more influential in consumers. Distinguishing themselves from other businesses, they launched new products and services. Beyond that, maintaining an appearance in the market was attained through the building of ties with clients. Fast and efficient operation also improved the economic viability and profitability of the project in the longer term. In the case where their colleagues employed comprehensive plans, directors whose strategies were locally designed to suit customer needs performed better. Moreover, using regional resources and communication with other small organizations, the report documented that the businesses could attain competitive advantage. These businesses exhibited remarkable adaptability during uncertain marketplace conditions with strategies that enabled them to remain flexible. Innovative thinking, technology implementation, customer focus, cost control, and local market understanding were the most efficient means through which Chinese small service organizations could attain competitive advantage, the report indicated. The report's findings provided the government and entrepreneurs with practicable recommendations for the growth of the small businesses. Current research contributed to the literature regarding competition strategies in developing economies through the clarification of applicable methods that could be employed in similar economic and cultural conditions.

Keywords: Small companies; Service business; Competitive advantage; Competitive environment; Competitive advantage in China.

INTRODUCTION

The service business is highly competitive. There are some barriers for the small enterprises in the industry. The small companies must attract customers while standing apart from large rivals.

Successful methods are required for their prosperity. A company's unique positioning over others in the market is referred to as its competitive advantage. It opens the way for the businesses for making better products and services at low prices or with higher value. Gaining customers, building shareholder value, and sustaining earnings are all assisted in the same way. Generally, it's prompted through excellence, originality, and the brand's goodwill. Focusing first on excellent customer service business can come first (Puspaningrum, 2020). Assurance and repeat customers are gained through superior service. Personalization enables the small companies to differentiate from the opponents and make a lasting first impression among clients. In most instances, the person-to-person interaction is the difference maker in contrast with their large rivals. The second key element is originality. The small companies have the alternative of coming up with fresh products and services and the alternative of perfecting the existing ones inventoried. Keeping up with the industry's latest updates makes it simple for the businesses to attract potential customers while holding onto the existing base. Invention also comes in the form of embracing fresh technology. Implementing such technology shall increase efficiency while providing more access for the customers. Good advertising campaigns are also essential. Social media and all types of online advertising can be used by the small companies because the two are efficient and affordable. Regular marketing communication and interesting stuff are the foundations for a good brand image. A good connection among the business and the customers also matters. A company that treats its customers well will listen and ask for their opinions. It does a world of good in building confidence and loyalty in the long run (Wu et al., 2023). Businesses can also maintain a competitive advantage with strategic alliances. Collaborating with other businesses in the downtown area boosts visibility and access to capabilities. Partnerships can reveal new opportunity along with building up the profile. Finally, organisations must budget their spending in a wise manner. Small companies must get the most with their dollars without losing quality. With wise budgeting, a company can maintain moderate rates and still make money.

BACKGROUND OF THE STUDY

Small enterprises play a crucial role in China's service business sector. They not only provide employment opportunities but also drive innovation and stimulate economic growth. However, they face fierce competition from large local and multinational firms. The rapid pace of economic and technological change adds to this pressure, making it difficult for many small companies to remain viable and build a strong market presence. To stay competitive, businesses must find ways to differentiate themselves from rivals and adapt to constantly changing market conditions.

Over the past decade, China's service business sector has experienced tremendous growth. This expansion includes industries such as healthcare, education, tourism, and commerce, reflecting

the nation's shift from an industrial to a service-based economy (Sun, 2022). As a result, Chinese consumers increasingly seek high-quality, efficient, and personalized services. They tend to favor technology-driven solutions that are convenient and easy to use. In response, small companies have had to rethink their strategies and explore new methods to attract and retain customers.

A business's competitive edge lies in its ability to outperform competitors. For small service enterprises, success depends on confidence, flexibility, and strong customer relationships. When comparing the timeliness and customization of services, small businesses often fall short of large corporations, but they can leverage their strengths in innovation, customer loyalty, and cultural awareness to build a strong reputation. The rise of digital technology and interactive platforms has also opened new opportunities for smaller firms to engage effectively with larger players in the market.

Competition in China remains intense, and consumer habits are constantly evolving. Cultural factors significantly influence consumer decision-making and value perception (Li et al., 2021). Therefore, business strategies should align with the cultural norms and local characteristics of small enterprises in China, rather than focusing solely on daily operations. Successful small businesses often combine promotional efforts, technological innovation, and personalized customer engagement to build long-term relationships and sustain their competitive advantage.

The piano, as a popular and age-inclusive musical instrument, plays an important role in the future development of art education in colleges and universities. Integrating multimedia technology into piano teaching has become an essential approach to meet the evolving needs of modern art education. The combination of traditional musical training and digital tools not only enhances learning efficiency but also aligns art teaching with the technological advancements of the current era.

PURPOSE OF THE RESEARCH

Through identification and evaluation of potential alternatives, the study sought to capture the topic of the ways in which small businesses operating in the service industry sector can have a competitive edge in China. The prime focus of the research was identification of the aspects that are crucial in the success of a trade in the competitive marketplace setting, including customer behaviour, creative innovations, and efficient administration. The prime focus of the research was also the discovery of the ways in which Chinese SMEs managed fluctuating consumer marketplaces and highly competitive small businesses. Furthermore, the research sought also to highlight the effective techniques that maximize efficiency, superior delivery of service, and brand loyalty. In addition, it was also a move to shed light on potential techniques that can be pursued by small service-based businesses in China to prosper in the existing economic setting. The paramount purpose of the research was the provision of specific recommendations that can aid

businesses in China in experiencing future prosperity and maintaining competitiveness in the worldwide marketplace.

LITERATURE REVIEW

"Green marketing" refers to an organization's efforts to provide secure, environmentally friendly products and services by reducing their impact on the planet via measures such as using fewer resources, more effectively preventing pollution, and using biodegradable and reusable materials. Companies are increasingly using a variety of green marketing tactics to outmanoeuvre their competitors in the sector after realising the significance of environmentally friendly marketing as a competitive advantage. Environmental marketing and packaging have been the subject of previous research that attempted to determine their effect on industrial Small and Medium-sized Enterprises (SMEs') competitive advantage and financial performance. Findings from the investigated associations were good and in line with the hypotheses (Maziriri, 2020). It was shown beyond a reasonable doubt that environmentally friendly marketing and labelling improved business efficiency and competitive advantage. This study added to what is already known about environmentally friendly advertising, competitive advantage, and the financial success of SMEs. Most production-based SME owners and managers also seek a competitive advantage and ways to increase productivity and the company's passion; therefore, this analysis is relevant to them as well. To attempt to comprehend the continued existence and subsequent processes of SMEs in the current competitive corporate backdrop, previous research thoroughly analysed the literature on worldwide difficulties for SMEs. Within the framework of financial globalisation, the research uncovered the significant worldwide difficulties faced by SMEs (Naradda Gamage et al., 2020). These include things like disputes over religion, conflicts over trade, trade counterfeiting, customer tastes, technological advances in innovations, and information, international concurrence, economic and financial difficulties, and modifications in consumer behaviour. In addition, the research considered the tactics used by SMEs on the commercial framework to identify regulations pertaining to environmental sustainability, particularly the need for an in-depth conceptual examination of how SMEs deal with global difficulties. Strategically focused development is not enough to keep companies' competitive advantage in the Chinese building industry, which is exceptionally competitive. Previous research has looked at how strategic direction and innovation in business models affect company success in a dynamic setting (Han et al., 2022). There is a discernible difference between the effects of an attitude of entrepreneurship and an emphasis on markets on business outcomes. When it comes to being an entrepreneur, the focus is on creating new business models rather than market strategy, which has a direct impact on company success. There is a one-way mediated relationship between an entrepreneurial mindset and company success, and a two-way mediated relationship between a marketplace mindset and company success, both of which are mediated by innovations in business models. Additionally,

environmental dynamism may act as a moderator between new business models and company performance, but in a good way.

RESEARCH QUESTIONS

What is the impact of competitive environment in achieving competitive advantage in China?

RESEARCH METHODOLOGY

Research Design: The quantitative data was evaluated by the researchers using the version 25 of SPSS. The 95% confidence interval and odds ratio were used to assess the direction and strength of the statistical connection. The investigators evaluated a result statistically significant if the p-value was less than 0.05. Important details from the data were retrieved by the investigators by means of descriptive analysis. Quantitative methods are frequently utilised to assess computer-processed data that is intended for statistical analysis. Polls, questionnaires, and surveys are the sources of this data.

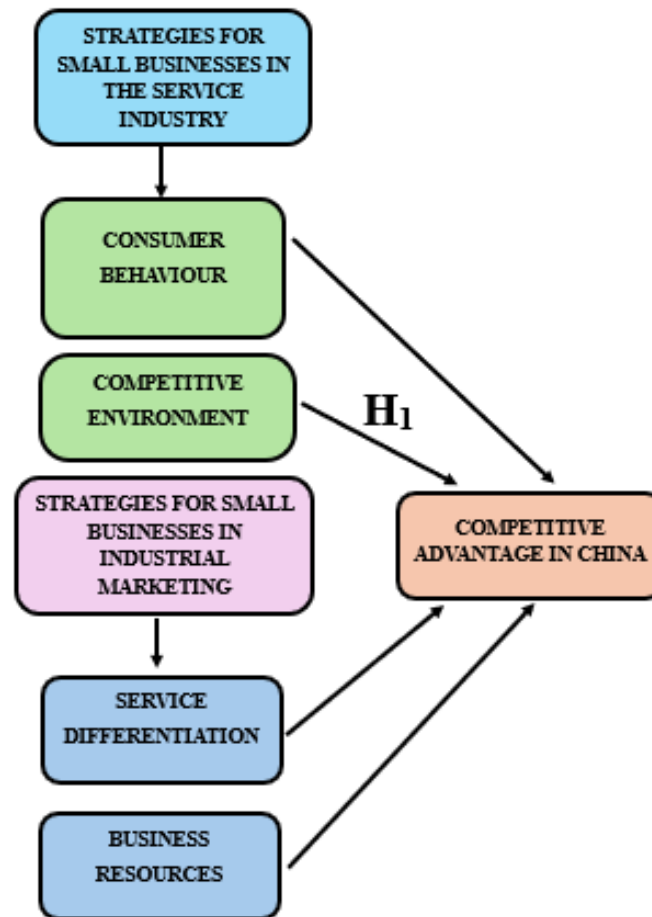
Sampling: Investigators used a simple random sampling process to ascertain the study's methodology. Respondents filled out surveys in exchange for the opportunity to take part in the research. After administering 830 individuals using the Rao-soft program, researchers were able to distribute 950 questionnaires. With 898 legitimate returned responses, 48 were removed for being incomplete, finally the researchers arrived at a total sample size of 850.

Data and Measurement: The major tool for gathering information in the study was a questionnaire survey. The first section of the survey asked for demographic information, while the second half asked respondents to rate various aspects of online and offline channels using a 5-point Likert scale. The gathering of secondary data is aided by a multitude of resources, the most important of which are internet databases.

Statistical Software: With the help of SPSS version 25 and Microsoft Excel, researchers performed the statistical analysis.

Statistical Tools: A comprehensive study has established the underlying structure of the data. After a thorough investigation, the data's essential elements have been identified. Factor analysis and analysis of variance (ANOVA) demonstrated validity.

CONCEPTUAL FRAMEWORK



RESULT

Factor Analysis: Factor Analysis (FA) seeks to reveal hidden variables within observable data. When there aren't enough clear visual cues or diagnostic factors, assessments often use regression coefficients. Modelling revolves on potential vulnerabilities, violations, and linkages. The purpose of the Kaiser-Meyer-Olkin (KMO) Test is to compare various regression datasets. Its sample settings and the theoretical model both provide reliable predictions, as shown by the results. Maybe there will be hints of duplicate information in the data. Making it smaller makes the data easier to read. The researcher receives a number from KMO ranging from 0 to 1. An acceptable sample size is defined as a KMO value between 0.8 and 1.

In Kaiser's opinion, these are the permissible boundaries: These are the requirements for approval that Kaiser has established:

A pitiful 0.050 to 0.059, below average 0.60 to 0.69. Middle grades often fall within the range of 0.70-0.79.

With a quality point score ranging from 0.80 to 0.89. They marvel at the range of 0.90 to 1.00.

Table 1: KMO and Bartlett's Test

Testing for KMO and Bartlett's Sampling Adequacy Measured by Kaiser-Meyer-Olkin: 0.873

The results of Bartlett's test of Sphericity are as follows:

Approx. chi-square= 4850.145

df =190; sig =.000.

Table 1: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.873
Bartlett's Test of Sphericity	Approx. Chi-Square	4850.145
	df	190
	Sig.	0.000

The supplied number typically makes it simple to handle the collected observations for the chosen sample. To attempt to determine whether the signs of a strong relationship were indeed statistically significant, the investigators employed "Bartlett's Test of Sphericity." When the computed Kaiser-Meyer-Olkin value is at least 0.873, it indicates that have a suitable sample. The results of Bartlett's Sphericity test were statistically significant, with a p-value of around 0.00. Because it passed Bartlett's Sphericity test with flying colours, the correlation matrix disappears into the background.

INDEPENDENT VARIABLE

Solutions for small companies in the service business: Small service businesses can secure a competitive edge with customer-focused and creative-oriented methods. A good client relationship can be secured with personalised assistance, enhancing customer loyalty as well. Consistency with the level of service business quality reinforces credibility and secures customers who come back (Arslan, 2020). Higher productivity and coverage can be achieved with the implementation of technology aspects like online scheduling, social media promotions, and consumers' services feedback. Differentiating the business from the competition with the provision of distinctive value proposals, such as expert knowledge in a unique area or rapid service business provision, can be one method the business does so. To secure a great experience with service, training personnel to be competent and consumers-oriented should be promoted. With the

strategic resource administration and collaboration with local communities, organisations can become cost-efficient (Azeem et al., 2021). Furthermore, confidence and awareness are solidified with the building of a robust brand personality and keeping in contact with the local community. Small businesses with services can secure sustained growth in the longer term and remain competitive in rapidly changing marketplaces if technology innovations are paired with people interaction and continuous improvement.

FACTOR

Consumer behaviour: Organisations function and contend for clients in what is known as the competitive environment. Needs in the marketplace, prices, innovations, and consumer tastes are all part of it. Businesses work hard to outdo one another in a competitive environment by providing products and services of superior quality. Competitiveness has heated up across most businesses due to innovations in technology and globalisation (Nourzadeh et al., 2022). To stay in business, organisations ought to be nimble and responsive to customer demands. When there are a lot of rivals in an industry, it makes companies work harder and better. It promotes originality and distinctness as well. Improved strategic choices may be made by businesses when they have a good grasp of the competitive environment. It is especially important for small firms to concentrate on their key competencies and find specific markets to thrive in (Abuselidze & Zoidze, 2023). A competitive environment that has been well studied enables enterprises to foresee obstacles and grab advantages. The capacity to change and innovate is crucial for sustainability and sustained growth in the current rapidly evolving marketplace.

DEPENDENT VARIABLE

Competitive advantage in China: In the landscape of China's competitive advantage, consumers can thank innovative thinking, government subsidies, and cost-saving initiatives. A large domestic market, excellent manufacturing capabilities, and a fixation on technological progress all work to the benefit of Chinese enterprises. Many firms find that China offers a competitive advantage due to its rapid response to market changes and low manufacturing expenses (Zhang et al., 2025). Considering the Chinese government funds in R&D, advancements in technology, and building infrastructure, its role is critical. Several sectors that rely on innovation and creativity have achieved global dominance; they include online shopping, renewable electricity, and artificial intelligence, among many others. Provincial businesses additionally employ cultural sensitivity and local ties to effectively meet client requests. As a result of its initiatives to improve quality and establish its brands, China is becoming more competitive on the global stage (Huang et al., 2021). When companies, universities, and technology hubs collaborate, discoveries and development remain constant. Whatever provides China its competitive advantage is the ever-changing mix of creative

thinking, scale, and purposeful support from the government that encourages sustained economic and commercial achievement in the nation's economy.

Relationship between competitive environment and competitive advantage in China:

Competitive advantage in China is strongly correlated with the competitive environment, and this correlation is both robust and flexible. The fast economic expansion and globalisation in China have made its marketplace extremely competitive. The push for creativity and become more efficient is on businesses of all sizes. By providing exceptional service, price, and satisfaction to customers, firms acquire a competitive advantage in a situation like this. Businesses in China are driven to embrace cutting-edge technology and adaptable tactics by the ever-shifting expectations of Chinese consumers (Waqas et al., 2021). Focussing on reducing expenses and quickly adapting to marketplace fluctuations are key priorities for regional businesses. One way that foreign firms distinguish is by emphasising innovation and building strong brands. Technological developments and government initiatives also have an impact on the nature of competition and advantages. Companies who research the Chinese market and cater to consumers' tastes there will do better. Organisations in China are driven to establish lasting benefits via creative thinking, agility, and dedication to clients due to the competitive environment (Tian et al., 2024). Maintaining and expanding this partnership will guarantee success in the Chinese market for the foreseeable future.

As previously stated, the hypothesis was formulated with the aim of investigating the robust relationship between China's competitive environment and competitive advantage:

“H01: There is no significant relationship between competitive environment and competitive advantage in China.”

“H1: There is a significant relationship between competitive environment and competitive advantage in China.”

Table 2: H₁ ANOVA Test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	78,459.257	374	7456.429	957.302	0.000
Within Groups	763.713	475	7.789		
Total	79,222.970	849			

The findings of this study are significant. There is statistical significance at the 0.05 alpha level, as shown by the F-value of 957.302 and the p-value of about 0.000. This determined that the null hypothesis has been rejected, and the alternative hypothesis, “H1: There is a significant relationship between competitive environment and competitive advantage in China” has been accepted.

DISCUSSION

Creative thinking, client attention, and excellent control of expenses gave small service business firms in China a competitive advantage, according to the findings of the study. Companies that embraced technological advances and digital tools were able to improve consumer interactions and build greater relationships. Organisations that chose localised approaches surpassed more generic method-based organisations, the report indicated. Adapting to their local marketplaces enabled small businesses to catch up with client orders and survive market swings. Generating confidence and loyalty among customers was the key to future success. Researchers found competitive advantage strongly linked with the competitive environment. Intense competition was the setting in which effectiveness, productivity, and originality prospered. From the data, organisations that could react quickly in the face of shifting consumer tastes were able to gain more advantageous positions in the market. Brand awareness and interaction with consumers were increased through the combination of information-driven advertising and social media. Complementary advantages were gained from community and small company collaboration, the research indicated. Collaborative working in this way made it less expensive and easier to obtain customer required things. Furthermore, productivity was also assisted by government support and the implementation of technologies. Despite challenges, small businesses which invested in innovations and local collaboration continued to prosper. Broad-based strategy building was the requirement, the debate indicated, at an in-depth understanding of the competitive environment. Flexibility, originality, and think-on-your-feet skills were the hallmarks in the ever-changing marketplace in China. Researchers discovered through the research that small service-driven businesses in China can sustain the competitive advantage in future generations through technological innovations, strong client links, and ongoing improvement.

CONCLUSION

The research concluded that with technology advancements, innovativeness, and customer loyalty, small service businesses in China were able to sustain a competitive edge. The customers were more loyal, and the profile of the company improved after it started utilizing digital technologies to elevate the servicing level. Attainability with the needs at their location and the ability to sustain stability regardless of the change in the environment were achieved with the implementation of regional strategies. A close correlation among competitive advantage and the

competitive environment were unveiled with the research findings. Small businesses were forced to be resourceful, flexible, and innovative to be able to survive amidst high market competition. Further enhancements in terms of efficiency were achieved with superior cost control in addition to partnerships with regional partners. Employment of advanced machinery and the assistance from the federal government were also key contributors in the business growth. Based on the findings, small businesses can flourish in a highly competitive marketplace if only they are aware of their customer and are able to be attuned with the times. Small service businesses in China were able to sustain survivability and endure competitive pressure with innovativeness, close customer ties, in addition to skilled administration.

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